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E.O. 12958: DECL: 03/10/2016  
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SUBJECT: ABD AL-MAHDI'S ADVISORS CONTEMPLATE CONFERENCE ON  
ANTI-CORRUPTION

Classified By: Political Counselor Robert S. Ford for  
reasons 1.4(b) and (d).

11. (C) In a March 7 conversation, Zuhair Humadi, Kadhim Shubber, and Fareed Yasseen, advisors to Deputy President (DP) Adel Abd al-Mahdi, told PolOffs they plan to organize a think tank, to be called Al-Rafidain, which would include a number of people around DP Abd al-Mahdi on its board. The three said they were planning a conference for September 2006 on anti-corruption. PolOffs argued that the sooner such a conference is held, the better, because the new Council of Representatives would have to make a number of important decisions in May and June that would affect the integrity of the Iraqi government, and it would be better to have such a conference sooner than September. Abd al-Mahdi's advisors agreed, and decided to schedule the conference for May 2006.

12. (C) Humadi, Shubber and Yasseen said that they plan to invite participation from Transparency International, the World Bank, and other key players. Funding for the conference may be an issue, given the think-tank's startup status, they said, but they thought it was most important that they include Iraq's anti-corruption institutions: the Commission on Public Integrity (CPI), the Board of Supreme Audit (BSA) (which they thought was doing a better job than the CPI), and the ministry Inspectors General. These local Iraqis would come for free. Poloffs said that the conference should not be held up for international participants to arrange their schedules, and suggested that more important than the speeches by the international participants would be a succinct summing up by a prominent Iraqi of what needed to be done -- and then that it be done. The Iraqis said that DP Abd al-Mahdi was outraged over reports of corruption in the Iraqi government.

13. (C) Comment: Local politicians have alleged that CPI's corruption investigations are politically motivated, citing the recent Ministry of Defense (MoD) corruption case in which as much as USD 1.3 billion in defense purchases may have been overlooked, not delivered, or simply gone missing. In that case, a number of prominent officials were charged amid allegations of political bias. Overlooked by most critics of CPI, however, is the fact that CPI's investigation was started by a BSA audit of the MoD. Notwithstanding BSA's role, an analysis of political appointees who have been indicted by CPI since its inception reveals that only 14 percent of those indicted are Islamist Shia - a number far below their actual representation in the ministries. The remainder of the indicted individuals are 65 percent secular and 21 percent politically neutral, non-Islamists.

14. (C) Comment continued: DP Abd al-Mahdi's proposal is a

welcome sign of much-needed, high-level GOI support which will be critical for any real progress to be made in combating corruption in Iraq. We will continue to work with DP Abd al-Mahdi's office in order to assist in the convening of this conference. End comment.  
KHALILZAD